

Auditor's Name and Date

Internal Audit Compliance Checklist

**CAGE AND CREDIT
WALKTHROUGH PROCEDURES**

Licensee: _____ Review Period: _____

NGC Regulation 6.090(15) requires the internal auditor to use guidelines, checklists and other “criteria established by the Chair” in determining whether a Group I licensee is in compliance with applicable statutes, regulations, and Minimum Internal Control Standards (“MICS”). The use of this checklist satisfies these requirements.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All “no” answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chair has granted a MICS variation or the question requires a “no” answer for acceptability. All “N/A” answers require referencing and/or comment, as to the reason the procedure is not applicable. All exceptions noted should be carried to the internal auditor’s report/summary of findings for timely follow-up.
- 3) “(#)” refers to the Minimum Internal Control Standards for Cage and Credit, Version 9 or to the applicable regulation/statute.
- 4) This checklist includes procedures for wagering accounts and reserve requirements pursuant to Regulations 5.225 and 22.040. Modify procedures as necessary.

Scope:

This checklist must be completed once in each fiscal year.

MICS Variations and Regulation Waivers:

Obtain copies of MICS variation and regulation waiver requests and NGCB correspondence regarding such requests from appropriate property personnel. Review to determine status of evidence of any waivers or alternative requirements imposed by granted variations and waivers. Modify and/or perform additional procedures as applicable.

Associated Equipment:

Determine if approval has been received for all associated equipment used in the cage and credit department. For all unreported associated equipment, cite violations of **Regulation 14.260**. For associated equipment, perform a walk-through of any additional controls on the use of the associated equipment which may be included in the written system of internal control.

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Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

Note: Variations/waivers and associated equipment need only be scheduled once. Refer to the workpaper where the details are scheduled and complete the last two columns of the above grid if walk-through procedures are affected.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Review prior internal audit reports. Schedule any relevant exceptions cited, including those cited by the NGCB or the CPA, or include a copy of the prior audit reports in the workpapers and follow up on any problems noted. Duplication of exceptions when the CPA is referring to exceptions reported in internal audit reports is not necessary.				
2. Complete the CPA MICS Compliance Checklist for Cage and Credit in accordance with the CPA MICS Compliance Reporting Requirements "Guidelines" and Internal Audit Reporting Requirements "Guidelines."				

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<p>Issuance of Credit</p> <p>Note: The following three questions apply to issuance of credit for the race and sports, slots, keno, bingo, table games and cage departments.</p> <p>3. Is a credit check performed and documented prior to the issuance of credit? Regulation 6.120(2)(a)</p>				
<p>4. Does the patron sign the credit instrument upon issuance? Regulation 6.120(2)(b)</p>				
<p>5. Is the patron's address recorded prior to the issuance of credit? Regulation 6.120(2)(c)</p>				
<p>Collection</p> <p>6. Is a reasonable effort, as defined by Regulation 6.120(3), made to collect outstanding casino accounts receivable?</p>				
<p>Settlements</p> <p>7. Are settlements made for the purposes set forth in Regulation 6.120(5)?</p>				
<p>8. Are settlements documented pursuant to Regulation 6.120(6)?</p>				
<p>Surveillance</p> <p>9. Is adequate video surveillance provided over the cage area? Regulation 5.160(6) and Surveillance Standard #6</p>				

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Questions	Yes	No	N/A	Comments, W/P Reference
<p>Free Play and Promotional Items</p> <p>10. If free play or promotional items, including drawings and giveaway programs, are currently being offered, is the accounting treatment proper? NRS 463.0161, NRS 463.3715, and Regulation 6.110</p>				
<p>Wagering Accounts – Applicable to any section utilizing wagering accounts.</p> <p>11. Before allowing wagering accounts to be used with any other gaming establishment of the licensee or with any affiliate of the licensee, has a written proposal for implementation of such wagering accounts been submitted to the Chair? Regulation 5.225(3)(b)(1)</p>				
<p>12. Regarding the previous question, does the written proposal for implementation address the following:</p> <p>a) The proper reporting of revenue? Regulation 5.225(3)(b)(1)(I)</p>				
<p>b) How minimum bankroll requirements will be satisfied? Regulation 5.225(3)(b)(1)(II)</p>				
<p>c) How the reserve requirements will be satisfied? Regulation 5.225(3)(b)(1)(III)</p>				

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d) Compliance with the Board's minimum internal control procedures adopted pursuant to Regulation 6.090? Regulation 5.225(3)(b)(1)(IV)				
e) Any additional items or information as the Chair may require? Regulation 5.225(3)(b)(1)(V)				
13. Has written administrative approval from the Chair been obtained before allowing wagering accounts to be used with any other gaming establishment of the licensee or with any affiliate of the licensee? Regulation 5.225(3)(b)(2) Indicate the date approved by the Chair.				
14. Does the licensee utilize a third party to operate and maintain its wagering accounts? Regulation 5.225(4)				
15. Regarding the previous question, if a third party is utilized, document and determine compliance with Regulation 5.225(4). Indicate the licensed cash access and wagering instrument service provider or licensed manufacturer.				

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Questions	Yes	No	N/A	Comments, W/P Reference
16. Unless there is a pending unresolved player dispute or investigation, does the licensee comply with a request for withdrawal of funds by a patron from their wagering account in accordance with the terms of the wagering account agreement between the licensee and the patron? Regulation 5.225(13)				
17. Does the licensee not allow a patron to electronically transfer funds from their wagering account to any other patron's wagering account? Regulation 5.225(14)				
18. Does the licensee not allow a wagering account to be overdrawn unless caused by payment processing issues outside the control of the licensee? Regulation 5.225(15)				
19. Has the licensee ensured that its patrons have the ability to select responsible gambling options associated with their wagering account that include deposit limits establishing the amount of total deposits a patron can make to their wagering account within a specified period of time? Regulation 5.225(18)(a)				
20. Has the licensee conspicuously displayed and made available to patrons, upon access to their wagering account, the responsible gambling message included in Regulation 5.225(18)(b) ?				

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<p>Reserve Requirements - Regulation 5.225(20) and/or Regulation 22.040</p> <p>21. When a reserve is maintained pursuant to Regulation 5.225(20) and/or Regulation 22.040, confirm the reserve agreement has been approved by the Board and is in effect by contacting the entity with which the agreement was made. Regulation 5.225(20) and/or Regulation 22.040</p>				
<p>22. Obtain a recent copy of a Regulation 5.225(20) and/or Regulation 22.040 report submitted to the Board and perform the following: Indicate the month/year selected.</p>				
<p>a) For all days of the report being reviewed, is a reserve maintained in the form of cash, cash equivalents, or an irrevocable letter of credit held or issued, as applicable, by a federally-insured financial institution or in the form of a bond written by a bona fide insurance carrier? Regulation 5.225(20)</p>				

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Questions	Yes	No	N/A	Comments, W/P Reference
b) Regarding the previous question, is the reserve amount equal to or greater than the reserve requirement amount for each day reported to the Board? Regulation 5.225(20) and/or Regulation 22.040 Note: In calculating the sum of all patrons' funds held in wagering accounts when such wagering accounts are used for multiple types of wagering, Regulation 5.225(20) and Regulations 5A, 22, and 26C, as applicable, shall not be construed to require the tallying of such patrons' funds more than once.				
<u>Procedures Modified or Added:</u>				

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